

**OFFICE OF INDEPENDENT BUDGET ANALYST
CITY OF SAN DIEGO
M E M O R A N D U M**

No. 07-10

DATE: June 22, 2007
TO: Rules Committee
FROM: Lisa Celaya, Fiscal and Policy Analyst
SUBJECT: Financial Analysis for Mail-Only Ballot

At the July 26, 2006 Rules Committee meeting, the IBA was requested to provide additional information on cost savings associated with Mail-Only Balloting. The following report provides an overview of cost savings achieved in other jurisdictions and projections for San Diego based on the runoff election for Council Districts 2 and 8 held in January 2006, which was provided to the Elections Task Force on June 23, 2006. Also, the report provides projections based on the special election held in July 2005 (Mayor and Proposition A), which was performed by the IBA upon the request of the Rules Committee.

Financially, the experience of other jurisdictions implementing Mail-Only Ballot elections has been mixed. Here are some of the findings from jurisdictions the task force has reviewed:

State of Oregon:

“In general, the cost of conducting all-mail elections is 1/3 to 1/2 of the amount required for polling place elections. For example, the May 1994 polling place election in Oregon cost \$4.33 per ballot while the May 1995 vote by mail election cost \$1.24 per ballot.” (*Five Years Later: A Re-Assessment of Oregon’s Vote By Mail Electoral Process*; Southwell.)

This survey found that a majority of respondents did not believe they were likely to vote more often by mail. Therefore, in addition to a per-voter savings of \$3.09 (or over 71%), the total cost for the election should have resulted in similar savings.

City of Burbank:

“...while the overall cost of the mail ballot election was higher than conducting a polling place election, the cost per vote cast was significantly lower.” (City of Burbank, Office of City Clerk Memorandum, April 20, 2004.)

Burbank compared a per voter cost of \$12.59 to \$6.57 in a mail-only election, for a savings of \$6.02 or 48%. Other comparable elections show a per-voter savings of \$2-3, or approximately 25-30%. Burbank experienced higher overall costs in the mail-only election as compared to many traditional elections because voter turnout for the mail-only election was, in some cases, 50% higher.

City of Santa Cruz:

“The estimate of reduced costs would be approximately 20% of the costs of an election.” (City of Santa Cruz, Fiscal Impact Statement by Director of Finance, Measure L.) Supporting information for this calculation was not available.

Contra Costa County:

“We are just finalizing our cost accounting for this election, and I believe that it will be similar to conducting an election in a traditional precinct, absentee voting manner.” (Contra Costa County’s June 8, 2004 All-Mail Balloting Election Report.) Again, supporting information for this calculation was not available.

King County, WA:

“...[voting by mail] will help avoid certain increasing costs associated with supporting a polling place-based system; but will not immediately reduce the cost of elections overall nor result in a noticeable savings particularly to the taxpayer and/or the jurisdictions that pay the costs of elections.” (“King County Elections Moving to Vote By Mail”, January 31, 2006.)

Projections to support these conclusions were not provided in this article, however the authors have clearly evaluated the host of components in election costs that would vary by moving to vote by mail. One cause of high costs might be the use of regional voting centers, which range from \$18,000-27,000 per site. King County found that costs associated with traditional polling-place elections were increasing at such a rapid pace that, while election costs may not decrease with vote by mail, there would be a significant cost avoidance and increased efficiency:

“Moving to vote by mail is an essential change that will facilitate longer term efficiency and improved cost benefit. While contemplating the policy decision to go all vote by mail, it is important to distinguish that voting by mail will benefit King County in many ways, and it will help avoid certain increasing costs associated with supporting a polling place-based system”.

City of San Diego:

The information regarding other jurisdictions is inconclusive, given that some experienced and/or expected anywhere from 20-70% savings, some experienced higher total costs, and some anticipated no net difference. However, as previously mentioned, San Diego’s own experience with a mail-only ballot election provides information with which to evaluate options for the future. With respect to costs, San Diego experienced “savings of \$222,000 or 40% less than the cost of a conventional election” and “Analysis showed that substantial savings could be achieved with the use of a mail ballot in such a one issue election.” In fact, per-voter cost was so dramatically reduced that even in scenarios showing up to 70% voter turnout, “[i]n every alternative studied, the mail ballot was estimated to be less expensive than a conventional election.” (“The City of San Diego Mail Ballot Election Experience”.)

Projections:

Our office had initially calculated a projection utilizing information from the January 2006 runoff election for Council Districts 2 and 8. Our initial findings did not project significant variance in the cost of mail ballot elections as compared to polling place elections. Upon direction of the Rules Committee, we expanded our analysis to include the July 2005 special election for the Mayor and Proposition A. Our projections estimated an approximate 24% increase in costs associated with mail ballot elections versus polling place elections. The details for these projections are found in Attachment 1. Generally, the increase in costs for postage and printing for the mail out ballots outweighs the projected savings for labor and rentals and equipment.

The actual cost information that forms the basis of our analysis is provided by the County of San Diego, Registrar of Voters. Our projections assume the following:

- There is a 40% reduction in labor and administrative overhead costs
- Printing, Equipment Rentals, Supplies, and Absentee Ballot costs are eliminated
- Mail Ballot costs are based on historical absentee costs, which includes printing costs
- Efficiencies are achieved by sending Sample Ballots and Mail Ballots together
- Return postage is included to incentivize turnout

In general, there are many factors unique to each election that will further change the outcome of the projected costs. As shown, policy decisions on providing **return postage** have a large impact, and are further dependent on voter turnout and voter willingness to “save the City a stamp” by providing one’s own stamp. Not estimated in these projections is the possible additional cost of providing “**regional voting centers**” as mentioned by King County, WA or some form of local drop-offs within districts. Again, these costs may vary widely based on the type of center desired. If the City could place locked strong-boxes in libraries, the cost may be marginal or negligible. Whereas if staffed facilities are desirable or necessary, the cost could be substantial. Finally, the election issues themselves will influence costs more significantly in a mail-only election. If the number of issues and/or candidates is significant and/or if the ballot language is lengthy, postage costs may be substantially increased due to **increased weight of the ballot**.

[SIGNED]

Lisa Celaya
Fiscal and Policy Analyst

Attachment 1 – Projection for Mail-Only Ballot

cc: Elizabeth Maland, City Clerk
Elections Task Force Members